"Debt Swap Scheme"

1454. SHRI MURLI DEORA: Will the Minister of FINANCE be pleased to state:

(a) the amount receved by Government from States under the debt swap scheme so far and the manner in which this proceeds is likely to be utilised;

(b) whether Government have decided to use this amount to settle its own debt to National Small Saving Funds;

(c) if so, the details thereof including the debt which Government owes to NSSF;

(d) whether fiscal deficit would be widened as a result thereof; and

(e) if so, the proper measure taken in this direction?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) An amount of Rs. 46,368 crore has been received from the State Governments upto September, 2003, under the Debt Swap Scheme:

Government has utilised this amount to party extinguish its liability to the National Small Savings Fund (NSSF) by redemption of securities issued in the past.

Government liabilities to NSSF at the end of September, 2003, amount to Rs. 2,02,271 crore.

(d) and (e) No, Sir. The repayment of debt to NSSF is deficit neutral.

Collection of Taxes by Private Banks

1455. SHRI SATISH PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Reserve Bank of India has allowed private sector banks to handle Government concerns ranging from collection of direct and indirect taxes of the Central as well as pension payments and other expenditure of Ministries and Departments of Central Government; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Reserve Bank of India has permitted four private sector banks for conducting Central Government business including payment of pension with effect from 1st October, 2003. These banks are:

1. ICICI Bank Ltd.
2. HDFC Bank Ltd.
3. IDBI Bank Ltd.
4. UTI Bank Ltd.

Ban on External Commercial Borrowing

1456. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether Government have imposed a complete ban on External Commercial Borrowing (ECB) by Indian companies;

(b) if so, the reasons therefor; and

(c) whether the Finance Ministry have undertaken a review on the issue of ECB and if so, whether Government propose to lift the ban on ECB to help corporate sector in getting cheap funds from abroad?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) The ECB guidelines and procedures are periodically reviewed by the Government in the light of prudent management of external debt, changing market conditions, sectoral requirements etc.

In the background of developments in recent months, it became necessary to carry out the following revisions in the existing ECB policy for a temporary period until further review:

(i) All ECBs shall be subject tothe following revised maximum spreads over six months LIBOR, for the respective currency